



Supplier Audit Program

Module 3

Auditor Skills and Conduct

Topics of Discussion:

- ⇒ Auditing Standards of Performance.
- ⇒ Auditor Responsibilities.
- ⇒ Resolving Difficult Situations.
- ⇒ Communication Skills.



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Auditing Standards of Performance

- Auditor Professionalism

- Appearance can convey a competent and favorable impression.
- Punctuality is paramount. Business time is valuable to the auditee.
- Preparedness is **critical** to audit success.



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Auditing Standards of Performance

- Auditor Professionalism
 - Use common courtesy and manners.
 - Be fair: Don't be afraid to make an allowance for the **occasional** human error.
 - Be direct and concise: pose questions clearly and **do not** pretend to understand.
 - Listen empathetically.



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Auditing Standards of Performance

- Recognize effort: give praise when effort is observed **and** again with the full auditee group in attendance (exit brief).
- Auditor Judgements
 - Shall be based only on facts, not a feeling or a hypothetical situation.



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Auditor Responsibilities

- **Conflict of Interest**
 - If there is a conflict of interest is apparent, **withdraw** from audit.
- **Such conflicts include:**
 - previous involvement with subject of audit.
 - previous employer, personal friendship, financial relationship, etc...



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Auditor Responsibilities

- **Independence**
 - Maintains the integrity of audit and validity of audit report.
 - It is **reflected** in the quality and objectivity of **the report**.



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Auditor Responsibilities

- **Objectivity**
 - Results **must** be based on **facts**.
 - Concentrate on the evidence presented.
 - Do not berate auditee over past corrected problems.
 - Technical references: interpretations may differ.
 - Be an objective investigator - **not** a subjective instigator.



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Auditor Responsibilities

- **Confidentiality**
 - respect and honor process or product confidentiality.
 - When records are confidential, interviews may be used in lieu of copying the record.
- **Disclosing Information**
 - Do not discuss another supplier's processes.
 - **Never** make derogatory remarks about one supplier to another supplier.



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Auditor Responsibilities

- **Unsafe Activities**
 - If Personal Protective Equipment (PPE) is required use it.
 - If you observe an unsafe activity the plant safety representative shall be notified.
- **Unethical Activities**
 - Human relations **may threaten integrity.**
 - Unethical behavior could compromise the credibility of the audit and auditor.



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Auditor Responsibilities

- **Bribery**

- **An attempt to compromise the audit by:**

- offering cash.
 - befriending the auditor “good ol’ boy”.
 - golf, ballgame, wined and dined.

- **What to do?**

- Pay your own way.
 - Excuse yourself from invitations.
 - If serious, **terminate the audit** and report to your supervisor.



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Auditor Responsibilities

- **Sympathy**
 - **Pity and sympathy are inappropriate audit objectives and not the goal of the audit.**
 - **Compromises the audit.**
 - **May be deliberate to manipulate the auditees cause via the report.**



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Auditor Responsibilities

- **Auditee Commitment**
 - Management may view this as a **necessary evil** rather than an opportunity for improvement.
 - Quality costs money, who is going to pay?
 - **Be positive**, explain why improvement is beneficial.
 - Lack of support should be turned over to your management for resolution.



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Resolving Difficult Situations

- **Conflict Resolution**
 - The team leader should resolve.
 - Deal with it in a professional manner.
- **Antagonism**
 - Be prepared to encounter.
 - Is usually a fear response.
 - Reassure the auditee that the audit is a benefit.



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Resolving Difficult Situations

- **Defensive Behavior**
 - An audit is usually an **upsetting and stressful** experience.
 - The auditor's demeanor sets the stage. It must be a calming influence.
 - Put auditee at ease at the start of the audit.



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Resolving Difficult Situations

- **Be aware of Time Wasting Tactics.**
 - **what are they?**
 - **Auditees are talkative about non-related subject.**
 - **The long lunch.**
 - **Waiting for document, evidence, or personnel.**
 - **what to do:**
 - **Keep audit on track.**
 - **State the duration of time available or excuse yourself to work on audit with team.**
 - **Continue on to the next issue while waiting.**



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Resolving Difficult Situations

- **Quick fix**
 - Last minute cleaning expected.
 - **Be aware** of areas that have been polished up that may have been neglected.
 - Last minute fixes will not hide **serious** problems.



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Resolving Difficult Situations

- **Interview Evasiveness.**
 - avoidance of direct answer
 - doesn't know or have the information
 - doesn't wish to reveal the information
- **Alert! something is amiss.**
- **Restate pertinent points...**
- **Continue to return to original question.**



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Communication Skills

- **Communicate with Auditee Management.**
 - **Lead Auditor**
 - will interface with upper level management.
 - must possess effective presentation skills.
- **There is no such thing as too much communication!**



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Communication Skills

- **Communication Skills**
 - **Both** written and verbal skills are evidenced.
 - Verbal skills are heard and observed.
 - The communication process is two way.
 - It is **Impossible** to un-receive a message.



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Communication Skills

- **Language Barriers**
 - **cultural research is wise**
 - **use of interpreters is necessary but this can be tricky due to:**
 - **lack of technical expertise.**
 - **lack of subject matter knowledge.**
 - **not familiar with auditing technology.**



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Communication Skills

- Listening Skills
 - Vitally important.
 - Good listening techniques require discipline.
 - The auditor must distinguish the **important** from the **insignificant** information.
 - Speech can be understood at 600 words per minute.
 - Speech flow occurs @ 100-140 words per minute.
 - There is a lot of time to waste, so people will sometimes lose focus.



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Communication Skills

- **Remember, there is usually more than one way to do business.**
 - Auditee has experience from private company culture.
 - **Don't** use an audit as a force.
 - Don't discount the auditees solution without a thorough evaluation.